

President's Board of Advisors on Historically Black Colleges and Universities

Meeting of September 25, 2013

Washington Hilton
Cabinet Room
1919 Connecticut Ave., NW
Washington, DC 20009
A complete transcript is available

Advisors present

William Harvey, Chairman
Dianne Boardley-Suber
Evelynn Hammonds
Beverly Wade Hogan
Helen McAlpine*
Valerie Mosley
Willie Pearson

John Rice
Earl Stafford
Beverly Daniel Tatum
Kenneth Tolson
George Walker
David Wilson
*Departed early due to illness

Advisors absent

Lawrence Bacow
Demetria Henderson
Milton Irvin
Edward Lewis
Ronald Mason
Renée Mauborgne

White House Initiative on Historically Black Colleges and Universities Staff

George Cooper, Executive Director	Sedika Franklin, Program Specialist
Ivory Toldson, Deputy Director	Meldon Hollis, Associate Director
Ron Blakely, Associate Director	Elyse Jones, Program Support Specialist

U.S. Department of Education representatives

Martha Kanter, Under Secretary
Jim Appel, Deputy Under Secretary
David Johns, Executive Director, White House Initiative on Educational Excellence for African Americans
Joel Harrell, Acting Executive Director, White House Initiative on Historically Black Colleges and Universities
Etienna Winzer, Director, School Experience Group, Federal Student Aid
Marcia Boyd, Acting Director, Minority Serving and Under Resourced Schools Division, Federal Student Aid
Katrina Turner, Director, Operations Performance Management, Federal Student Aid

Call to Order

The September 25, 2013, meeting of the President's Board of Advisors on Historically Black Colleges and Universities (HBCUs) was called to order at 9:22 a.m., by chairman, Dr. William Harvey, who formally welcomed Dr. George Cooper as the newly appointed Executive Director of the White House Initiative on Historically Black Colleges and Universities. Dr. Harvey pointed out that he and Dr. Cooper have known each other for over 40 years and that he and the HBCU community are pleased to have someone with his experience at the helm. He expressed that Dr. Cooper is a dependable hard worker, who knows his role as advocate for HBCUs and he plans to support Dr. Cooper as long as he serves as chair and beyond.

Dr. Harvey then proceeded to begin his chairman's report, where he acknowledged the work of the board for the past three years, and noted a successful meeting with Dr. Suresh at the National Science Foundation that overturned the recommendation to replace the HBCU program with a minority serving institutions program. Dr. Harvey also began to explain his meeting with Deputy Defense Secretary Ashton Carter, when he was briefly interrupted by Dr. Cooper, executive director, White House Initiative who reminded him that according to protocol, roll call was required to establish a quorum. Dr. Cooper called the roll and established that a quorum was present, and subsequently acknowledged by Dr. Harvey.

Chairman's Report¹

Chairman Harvey resumed the chairman's report, indicating that the Board has followed through on its intentions to work with federal agencies to identify and implement programs that enhance Executive Order 13532. To date, the Board has met with 10 Cabinet Secretaries and agency heads. He indicated that a meeting with officials at the Department of Health and Human Services to discuss the importance of HBCU familiar peer reviewers yielded a push to attract early career reviewers and self-referrals. He hoped that these approaches will be replicated in other agencies.

Per Chairman Harvey's report, he is committed to working with the leadership of HBCUs in Washington as one cohesive unified group and acknowledges that Secretary Arne Duncan, U.S. Department of Education, has been a supporter of that effort. He conceded that Secretary Duncan has been committed to meeting with leadership from NAFEO, Thurgood Marshall College Fund and UNCF on a quarterly basis to discuss pertinent HBCU matters. He emphasized that Secretary Duncan knew little about the Parent Plus issue, at its onset, but made a point to assemble his team to discuss the matter, which, in turn, was helpful. According to the Chairman, these meetings have included discussions on restoration of funds in Title III B, HBCU Capital Finance's loan authority, Parent PLUS, and Pell grants.

The report identified the Parent PLUS loan program as the greatest immediate challenge and requested that Dr. Cooper work to obtain data that would prove that parents with adverse credit actions would be more likely than others to default on their loans. Dr. Harvey mentioned that President Obama expects HBCUs to contribute to the goal to reclaim the status as number one in

¹ A copy of the Chairman's prepared report is attached.

the number of college graduates by 2020, but due to changes in Parent PLUS, some 20,000 students will not be able to go to college, let alone, complete it.

Chairman Harvey also stressed the requirement for the Initiative to publish annual reports marking the progress of agencies in their support of HBCUs, noting that the last official report was released in 2007. It is understood that there was a 2010 report that was posted prematurely on the Initiative's website, was pulled down until it receives final approval. Dr. Harvey emphasized the importance of these reports as a way to assess the support of federal agencies to HBCUs, and recalled the Board's recommendation of a five percent aspirational goal for all agencies. He stated that other Presidents have had aspirational goals, so the recommendation seems to be a reasonable request.

Lastly, Chairman Harvey's report outlined measures to become more involved and engaged in the development of policies that affect the institutions for which we serve. For example, Dr. Harvey highlighted President Obama's rating system plan as a surprise to HBCUs. He stated that he has been working to schedule meetings with the White House Domestic Policy Council to address such concerns and encouraged the Board to join him in writing OpEd articles to help shape the dialogue about policies affecting HBCUs. He called on Larry Bacow to possibly meet with a group of institutional development officers and HBCU presidents to discuss fundraising; Valerie Mosley and Edward Lewis to meet with marketing and communications experts to help shape the institutional story; Milton Irvin to continue his work on the five percent aspirational goal; and Ronald Mason for the Black Male Initiative.

After thanking Linda Chastang for her commitment to the Board, citing that without the Administration's approval Ms. Chastang's support would not be possible, Dr. Harvey also thanked Joel Harrell for his service as acting executive director for the Initiative and for serving as an advocate for HBCUs. Chairman Harvey again thanked the Board for their service and reiterated that he looks forward to working with Dr. Cooper and the Board to do more for HBCUs. At this time, Dr. Harvey opened the floor for questions from the Board regarding his report.

Dr. Wilson welcomed Dr. Cooper and thanked Dr. Harvey for his report and leadership over the past three plus years. He then requested a point of clarification on the status and approval authority for the Board's annual reports. Dr. Harvey explained that once the report is submitted it must be approved by the Administration to be considered an official report, thus there are no approved reports since 2007.

Dr. Wilson asked for further clarification on the process for approval, asking "does it go to President Obama or Secretary Duncan before it becomes available?" Dr. Harvey explained that the Initiative has the responsibility to put the report together and then asked for clarification from members of the Initiative staff. Dr. Joel Harrell asked that the issue be tabled until his remarks later on in the agenda. The issue was tabled.

After this brief discussion, Dr. Wilson acknowledged Undersecretary Kanter's presence and expressed his appreciation for Chairman Harvey's perspective on the use of the Board as a

sounding board for policy on behalf of all HBCUs. He then suggested that there should be some deliberate thought put into how the Administration receives advice from this advisory board particularly on President's Obama's college affordability and accessibility proposal and the collective impact such policies/processes would have on HBCUs. Dr. Wilson also offered that it might be a good utilization of time and effort to use the board meeting to garner input from the Board after each member has been given enough time to reach out to the collective for feedback instead of providing individual perspectives.

The floor was then yielded to Dr. Dianne Boardley-Suber. Dr. Suber acknowledged Chairman Harvey's comment on the validity and relevancy of the Board. She conceded that Dr. Wilson's remarks were profound but not the first time they have been suggested. Dr. Suber explained that as one of the longest sitting presidents on the Board, she feels that the question remains, whether the Board actually functions as it was initially envisioned, advisory to the President?

Chairman Harvey acknowledged Dr. Suber's comment and offered that as an advisory, the Board should be invited to offer opinion on issues relevant to HBCUs and that the Board needs to ensure they remain relevant. He then acknowledged Mr. Willie Pearson, Jr.

Mr. Pearson expressed the criticality of Ms. Linda Earley Chastang as an assistant to the Chair and commended her support to the subcommittees. Chairman Harvey thanked Mr. Pearson and reiterated that as chair he needed an advisor and the White House or the Secretary's office granted that request. Dr. Harvey noted that other directors had advisors, but the position has since been revoked due to tight budgets. Dr. Harvey stated that he has plans to meet with Secretary Duncan, asking the Under Secretary to take note; to discuss having it reinstated in the future because it is a critical function to complete the work of the Board.

White House Initiative on HBCUs Executive Director's Report

Dr. Cooper began by expressing his pleasure to serve as the liaison to the White House on HBCU issues. In response to some of the concerns expressed in the Chair's comments and comments from other Board members, Dr. Cooper explained that he had already expressed to Secretary Duncan and Under Secretary Kanter that policies; changes to policies and procedures should not come as a surprise to the Board and that conversations are necessary to obtain the advice of the Board and engage the White House appropriately. He committed to being open, honest, candid and accountable in his conversations with all HBCU stakeholders, the U.S. Department of Education and this Administration. Lastly, Dr. Cooper explained that since he had only been in office for a week and a half, he would yield to Dr. Harrell to provide the report from the executive director.

Dr. Harrell began by announcing that the 2013 HBCU Week conference would be the most outstanding yet. He remarked that there were over 1172 registered individuals to include a record 72 presidents. He exclaimed that the conference included a cadre of senior officials across the federal government and would provide sessions that focused on opportunities to increase federal support and establish new partnerships. Dr. Harrell paused briefly to

acknowledge the valued support of the White House Initiative staff, Sedika Franklin, Elyse Jones, Meldon Hollis and Ron Blakely.

Next, Dr. Harrell reflected on the previous question regarding the annual reports posed by Dr. Wilson. He briefly explained the vetting process, noting that electronic copies of the federal agency data reports for fiscal years 2008, 2009, and 2010 were scheduled for publication with a release date of mid-October.

Dr. Harrell mentioned that the office had maintained its monthly meetings and contact schedules with the federal liaisons and representatives. He pointed out that these conversations have been instrumental in the development of many of the conference sessions. He also thanked the members of the Board for their support and participation in those sessions.

Then Dr. Harrell gave a brief update on Initiative meetings with key contributors at HHS, USAID, DOD, NSF, the State Department and NIST that have promising leads for HBCU involvement, in the Affordable Care Act, the young African leaders program, and cyber security. Specifically, he stated that Mr. Hollis had recently led a delegation of 15 HBCUs to Brazil for two weeks. The purpose of the meeting was to meet with university and government representatives to increase HBCU visibility in Brazil and discuss the possible expansion of the current MOU. It was noted that the State Department covered the in-country expenses. Although full details and negotiations were still underway, the meeting resulted in an agreement with Brazilian agencies to expand the number of students received and the range of subjects supported by the Brazilian government. The Brazilian government also agreed to establish a scholarship program to support students who wished to study at an HBCU.

Lastly, Dr. Harrell finished by expressing his gratitude to the staff, Secretary Duncan, Under Secretary Duncan and the board for its support of him during his tenure as acting executive director.

Dr. Cooper supplemented Dr. Harrell's report by stating that the Initiative had a plan in place for getting the reports back on track, which included negotiating a contract for an analyst and guaranteed that future reports would be processed on an annual basis.

After some questions requesting additional clarification on the difference in the Board report and the Initiative report, Under Secretary Kanter provided detailed context for the delay in production and release of reports since 2007. Following questions from Dr. Hogan clarifying that the discussion was about agency reports and not the Board report, Dr. Hogan asked when the Board should expect to hear from the White House on their submission. Chairman Harvey stated that the Board's report was submitted to the White House but had not heard back on the recommendations. Dr. Kanter suggested that Dr. Harvey address that concern with the Domestic Policy Council during the afternoon meeting.

Next, Dr. Suber asked for further clarification on which report is mandated. Dr. Kanter replied that the annual report with agency contributions is federally mandated. Following a comment by Dr. Suber regarding why the report hadn't been published if it is mandated, Chairman Harvey

explained that the process had been explained and that he had full confidence the problem would now be fixed with Dr. Cooper's guidance.

Moving on, Dr. Wilson thanked Dr. Kanter for her explanation of the reporting process and offered a suggestion regarding access to the report prior to completion. He stated that it would be useful for the Board to obtain a copy of the agency reports for use when compiling its own report. He urged the Administration to reconsider the current path of the reports.

Dr. Kanter replied that Dr. Cooper and Dr. Toldson were now on board and would be creating a schedule for reporting and will provide a draft report to the board for its review. Agreeing to that suggestion, Dr. Kanter briefly mentioned the 2014-2018 U.S. Department of Education Strategic Plan. She stated that Dr. Cooper would send out the link to it or it could be found with a simple "2014 Strategic Plan²" search and that comments on context would be greatly appreciated.

Mr. Earl Stafford asked, as a new board member, about the enforcement of process for agencies that are underperforming. Dr. Harvey explained that there are no enforcement policies, but it is helpful to know how an agency is doing when they speak with officials at the various departments.

Mr. Ken Tolson pointed out that GAO standards require that agencies report their spending on a quarterly basis, but there is no requirement to report their spending on HBCUs and PBIs.

Dr. Cooper explained that the process for the Initiative report takes a bit longer because it looks at the details for the funds allocated to each institution.

Lastly, Chairman Harvey acknowledged Dr. Wilson, who applauded the Initiative on its work with Brazil. He noted that the Brazil initiative brings a global presence to HBCU campuses in a meaningful way.

Executive Director's Report on Educational Excellence for African Americans

David Johns, executive director of the White House Initiative on Educational Excellence for African Americans (EEAA) provided his perspective on the distinction between EEAA and the HBCU initiative. He explained that Executive Order 13621 mandates a contribution to closing the achievement gap from birth beyond college completion. Mr. Johns noted that it will be his responsibility to support the HBCU initiative as it pertains to postsecondary education opportunities.

He then briefly outlined five of the six EEAA initiative's priorities: (1) early learning, working to increase the number of African American children and families who have access to high quality early learning; (2) literacy, focusing on partnering with the publishing industry to produce more culturally reflective content about adult education and family literacy; (3) STEAM, taking

² Department of Education's draft 2014 Strategic plan: <http://www2.ed.gov/about/reports/strat/plan2014-18/draft-strategic-plan.pdf>

advantage of opportunities to ensure that parent and communities embrace STEAM access and opportunities; (4) family and community engagement, working with the Office of Innovation to ensure that every caring adult is engaged in the effort; and (5) affirming the narrative by checking facts and changing the narrative on achievement for African-American students.

Following a few questions about the priorities, Mr. Johns mentioned that he would be establishing his commission and pointed out that two members of the Board would fill positions on the EEAA board. He encouraged members of the Board to be involved in areas of common interest (i.e., inequities in the education system for low at risk populations, and addressing the skills gap regarding employment opportunities).

The Under Secretary's Update on Administration's Priorities³

After thanking Joel Harrell for guiding the HBCU office and the staff at the Initiative for bearing with the Department as the new leadership was put in place following the national election of President Obama, Under Secretary Martha Kanter commended UNCF, NAFEO, Thurgood Marshall and the Board for maintaining its communications regarding HBCUs. She stressed that communications would improve with George Cooper and Ivory Toldson on board.

Dr. Kanter continued by highlighting President Obama's second term priority, higher education. She acknowledged that Drs. Cooper and Toldson's leadership will be vital in addressing the concerns regarding reports and the aspirational goal. She expressed that the Administration is interested in hearing from the Board on issues such as PLUS and better communications.

The Under Secretary then touched on the Administration's outreach to the HBCU community, highlighting the commencement season, and the Secretary's quarterly meetings, but pointed to President Obama college rating system as a campaign that could use input from the Board and other HBCU stakeholders. She stressed that the HBCU community will be a vital asset in the accomplishment of the 2020 goal. Dr. Kanter explained there would be some significant regulatory work coming down the pike that would affect the performance of schools and how the Department distributes money. She also noted that reducing student debt would be a key priority of the Administration. She also recommended that HBCUs share the conditions under which they have been able to provide additional resources for the students they serve.

Next Dr. Kanter acknowledged the Department's responsibility for the conversation surrounding PLUS loans. She mentioned a conversation with Dr. Tatum about stable student enrollment despite the new process and procedures. Dr. Kanter shined a spotlight on the Pell Grant program, stating its importance and noting that the program now brings approximately 4 million more students in the postsecondary education.

Dr. Kanter briefly paused from her report to introduce Jeff Appel as the Deputy Under Secretary at the U.S. Department of Education. Mr. Appel worked at GAO and the Office of Policy and Planning. He is familiar with student debt and served as the subject matter expert around the student loan interest rate discussions.

Finally, Dr. Kanter wrapped her comments by taking questions.

³ A copy of the Under Secretary's prepared remarks is attached.

Mr. Ken Tolson commented on the unfortunate closing of Saint Paul's College and the financial strains at Howard University and Norfolk State, requesting that the Board be notified prior to media coverage and allowed an opportunity to meet to address issues affecting the institutions.

Dr. Kanter acknowledge Mr. Tolson's remarks, offering that there are many reasons why an institution might be at-risk and that there are no legal procedures that presidents must adhere to when providing information protected by privacy laws. She explained that there may be a way to convene the Board to discuss recommendations for supporting institutions that have accreditation or governance issues and asked Dr. Cooper to follow-up.

Dr. Suber offered additional comments as a sitting president that opposed Mr. Tolson's remarks. She expressed that a request for information would not be shared with the Board or the public. Dr. Suber added that the indicators for the new rating system may yield difficulties, specifically around graduation and retention rates.

Dr. Hogan asked if the Department has considered issuing a cap on how much of a loan amount a student can borrow above their tuition. She explained that some students borrow larger amounts, not necessarily to fund their education.

Mr. Appel responded with detailed context on the issue of capping student loans. He explained that this is a fine line to walk especially if financial aid officers or institutions would be responsible for determining who gets a loan.

Chairman Harvey requested that Dr. Cooper take note of the conversation about capping student loans and thinking about how financial aid officers might be involved.

Mr. John Rice raised a question of clarity on the timing of the rating system discussion. Dr. Kanter responded that by the end of 2014 the formal rating system will be underway, but it requires congressional approval. There will be solicitations for feedback for the next few months, a draft including data from the Institute of Education Sciences.

Following a brief interruption by Dr. Harvey, Ms. Valerie Mosley asked Dr. Kanter how the Board would be involved in the development of the rating system. Dr. Kanter informed the Board that the process had just begun.

The meeting was in recess for lunch and then resumed at 12:25pm with presentations from Federal Student Aid.

Federal Student Aid Update

E.T. Winzer, Director of School Experience at Federal Student Aid and Marcia Boyd from the Minority Serving Institutions group were introduced to the Board. Mr. Winzer provided remarks on the PLUS loan reconsideration process that began in March/April of 2013. Referring to a handout⁴ provided to all members, Mr. Winzer stated that to date, 36 percent of declined parents were offered the opportunity to be reconsidered after their initial denial. He explained that 36 percent was indeed an increase from last year's 11 percent. Federal student aid has reached out by email to those denied parents to encourage them to take advantage of the reconsideration process because it often takes five minutes to complete and has a 98.6 percent approval rating.

⁴ Reconsideration handout attached.

Ms. Katrina Turner, director of Operations Performance Services at Federal Student Aid, provided an update on cohort default rates (CDR). Ms. Turner explained that cohort default rates are not new but they are a performance matrix that measures the school's capability to participate in Title IV programs. She explained that the institutions received their two-year default rates on September 16 and on September 23, their fiscal year 2010 three-year rates. The default rate is the number of borrowers in default divided by the number in repayment for a specified year. Ms. Turner reiterated that institutions would no longer receive two year rates.

She confirmed that the concern within the Department is that the HBCU national default is at its highest, 18.6 percent since 1994. Ms. Mosley requested a point of clarification on the available information on current rates as recent at September 30, 2012. Ms. Turner explained that the most recent information dates back to 2010 because it is a three-year rate. She informed the Board that the CDR is historical not present day.

The presentation paused for additional clarification questions from Dr. Hammonds and Suber regarding similar rates for other categories of institutions. Dr. Suber expanded upon the dialogue noting that providing information just about HBCUs was counter intuitive because it implies that HBCUs were the only institutions in trouble. She expressed that the presentation would have more productive if it included best practices for reducing high CDRs.

In turn, Ms. Turner indicated that there were other groups with similar CDRs, but her intention was to highlight the issue with HBCUs. She then pointed out that outreach efforts were underway in under resourced, minority and tribal community colleges to address the concerns.

A follow-up comment regarding the complexity of the report highlighted that there is no commentary included with the numbers. Dr. Wilson requested that commentary be added to provide context to the arbitrary data.

Ms. Turner proceeded with her presentation providing detailed information on steps to lower default rates. Chairman Harvey asked that Ms. Turner work with Dr. Cooper to develop a two-pager on best practices for reducing CDRs for presidents. Ms. Turner then explained the appeals process noting that statutorily an institution has 30 days to request an appeal.

Mrs. Marcia Boyd wrapped up presentations by providing information on how the Department can assist. She noted that her office has conducted seven workshops at different HBCUs on PLUS Loan reconsideration and an additional 15 on default management around the country. Mrs. Boyd confirmed that a simplified CDR fact sheet for presidents will be made available as soon.

Dr. Harrell noted that although the draft CDRs will be released in February, there are 13 HBCUs that FSA is currently in touch with regarding their CDRs.

Dr. Wilson stressed that the restrictions placed on Parent PLUS continue to have unintended consequences, noting Howard University in the latest article in the Washington Post. He then expressed that 80 percent of enrollment issues can be directly attributed to Parent PLUS loans.

Subcommittee Reports

Mr. Tolson provided an update on STEM Innovation and Technology. The committee is awaiting data for the federal agencies on STEM support to HBCUs. He stated that the data was to be relinquished to the current initiative staff by former interim director John Brown and there appeared to be a gap in the process. Mr. Tolson asked that the Board approve the STEM report in its current state since it is now a new fiscal year.

Mr. Tolson then expressed his interest in renewed conversation regarding Chairman Harvey's idea of a HBCU day to promote advocacy for HBCUs.

Public comment

Ms. Edith Bartley, vice president for Government Affairs at Thurgood Marshall College Fund (TMCf), also expressed interest in a HBCU day that would promote participation in Capitol Hill meetings that promote advocacy for HBCUs. She confirmed that TMCf, NAFEO and UNCF are able to support that effort.

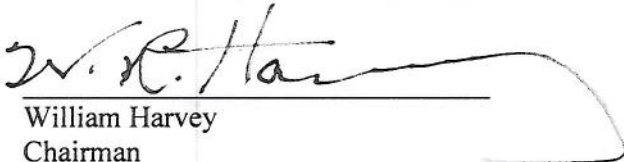
Mr. John Michael Lee, vice president of the Association of Public and Land Grant Universities (APLU), announced that the Council of 1890s would be taking lead on a NGO to secure larger grants and leverage contract opportunities. He then mentioned that APLU has provided recommendations for the reauthorization of the Higher Education Act and announced that APLU would be participating in the HBCU Innovation and Entrepreneurship Conference at Stanford University in Palo Alto, California, October 29-November 1, 2013.

Mr. Darryl Anderson represents myfirstjob.com, an organization currently working with Lincoln University to help transition students from college to entry level jobs.

Adjournment

Dr. Harvey thanked everyone for their time, support and dedication over the past three and a half years. And the meeting was adjourned.

I certify the accuracy of these minutes.



William Harvey
Chairman

September 25, 2013

Date

Chairman's Report
President's Board of Advisors on HBCUs
September 25, 2013

Secretary Kanter, members of the Board, first, I want to welcome my friend and colleague, George Cooper. I have known George for over 40 years. We met when he was a faculty member in the Department of Agriculture and I was the Administrative Vice President at Tuskegee University. It was evident early on that he was a hard worker and a clear thinker. Recognizing his talent, I recruited him to work with me on several committees at Tuskegee, to include the Reaffirmation of Accreditation for the Southern Association of Colleges and Schools. He was good, conscientious and dependable. Because of that, I later asked him to serve on other committees, including the budget committee.

Over the years, we have stayed in touch. In fact, George and his wife Diane, and my wife Norma and I, have often socialized together.

As I said to him when his appointment was announced, the HBCU community is glad to have someone with his experience at the helm of the White House Initiative on HBCUs. I look forward to working with him.

Over the past few weeks, I have taken a good look at where we have been; and I have thought long and hard as well as spoken with several of you and others about where we need to go over the next few months and what we need to do to get there. It was three years ago this month that we first met. Everything we agreed to do at that first meeting has been done and so much more.

We have provided "a different perspective" on some policies, beginning with the National Science Foundation's plan to eliminate its HBCU program and put in its place a program for which all minority-serving institutions would have to compete.

We also met with Deputy Defense Secretary Ashton Carter, to shed some light on the Department of Defense's plan to move the HBCU program out of the Office of the Secretary after more than 20 years of residency there. In a meeting with Deputy Secretary Carter, we articulated the HBCU perspective on the Department of Defense's plan to move the HBCU

program out of the Office of the Secretary. We were successful in our efforts to influence these policy changes.

Our board agreed to work with federal agencies to identify and implement programs and approaches that would advance the Executive Order. In meetings with Secretary Kathleen Sebelius at the Department of Health and Human Services, we discussed the importance of having peer reviewers who are familiar with HBCUs. Several suggestions to increase the number of minority reviewers were made and HHS has moved forward on two of them. One is an initiative to encourage and attract "early career reviewers" and the other is a mechanism for "self-referrals." It is my hope that we will work to have these approaches replicated and adopted by other federal agencies, almost all of which operate competitive grant programs and suffer from a dearth of minority grant reviewers.

Another action we agreed to take when we first met was to meet with as many cabinet secretaries and agency heads as possible for two purposes: (1) to explore activities their department or agency might undertake in order to increase their engagement of HBCUs; and (2) to tell them about the many and broad-ranging capabilities of HBCUs. To date, we have met with 10 cabinet secretaries and agency heads. Some of you and many HBCU presidents have accompanied me to those meetings.

When we first met in September 2010, I also announced my intent to work to ensure that the three organizations representing HBCUs in Washington—the Thurgood Marshall College Fund, NAFEO and UNCF—worked collaboratively and more closely on issues and strategies of mutual interest and concern. As you will recall, I had the heads of those organizations come to our next meeting and introduce themselves and their organizations. I then asked Secretary of Education Arne to meet on a quarterly basis with them and me. He agreed and those quarterly meetings have been very helpful. We have been able to talk off-the-record and very candidly about many issues, including the need to restore funding of Title III B, the need to increase the HBCU Capital Finance Board's loan authority and over a year of discussions and negotiations on the Parent PLUS problem. We also discussed the elimination of so-called "summer Pell," access to Pell grants beyond six years and its impact on nontraditional students.

So, where do I think we need to go? Our immediate new challenge is the Parent PLUS loan problem. I must report that we still are not "there" yet. The problem has not been fixed. Some of our schools have not been able to and may never recover from the loss of human and economic resources due to changes in the Parent PLUS loan program. Many institutions lost students to nearby, less expensive, state institutions and community colleges.

None of us want the PLUS loan program to go the route of the mortgage loan crisis of a few years ago, when people who could not afford to repay their loans, were given loans. However, I have seen no data to indicate that parents who had charge-offs, or experienced any of the other situations that now are counted against them, are any more likely to default on their loans than other parents. I have asked for that data. George, if you would get that for us, it would be very helpful.

It is a quandary. A student cannot get a Parent PLUS loan because his family's financial situation is dire. But, despite his family's dire financial situation, he cannot get a grant. So, the student cannot go to or complete college, even though we know that going to college improves a family's financial situation, has a direct impact on our national workforce concerns, enhances the community, and makes our nation more competitive.

Particularly troublesome for me is how can the Administration possibly reconcile its 2020 goal for the United States to have the highest proportion of college graduates in the world with its changes in Parent PLUS resulting in at least 20,000 HBCU students not being able to fill the gap in resources needed to pay for college and a loss of at least \$154M in revenue to HBCUs—last year alone. In my view, these are irreconcilable.

Meanwhile, the institutions that do the best job of preparing unprepared students, usually the same students in need of the gap-filling Parent PLUS loan, are increasingly under resourced.

I think we need to improve communications with the HBCU community. The community needs to know what this body is doing. So, some regular communication to the HBCU presidents would be a good idea. Perhaps sending them the transcripts of our meetings as soon as they are available, would be a good place to start. Not only will that ensure that they are informed about what we are doing, but we will find that there are many in the HBCU community who want to help us as we work to shape and influence policy and provide

guidance to the White House and the Department of Education. They can be a good resource for us, if they know what we are doing and how they can help.

We also need to improve communications about the HBCU community. Valerie Mosley said it so well when we met at Hampton. She said, "the range of HBCU "stories" must be told."

PRESIDENT'S BOARD OF ADVISORS ON HBCUs MEETING

HBCU PBA Meeting
Remarks of Dr. Martha J. Kanter, Under Secretary
U.S. Department of Education
Wednesday, September 25, 2013

Dr. George Cooper will introduce you.

Thank you, George, for your kind introduction. I am pleased to be back here after meeting with you in June and helping to highlight some of our latest federal efforts to support you in your important work. And I'm especially delighted that we now have Dr. Cooper and Dr. Toldson on board to lead the White House Initiative on HBCUs.

Let me acknowledge from the President to Secretary Duncan to all of us here today, HBCU presidents are critical to our nation's future. You are the leaders who are doing the courageous work that it takes to broaden college access, keep college affordable, improve quality, increase institutional productivity, accelerate degree completion, and spur innovation for every student who attends an HBCU. You are the nation's leaders who are demonstrating the commitment by the population you serve which encompasses millions of first-generation, Pell-eligible students who literally would not have the social, civic and economic prospects for success in life were it not for HBCUs. Thank you for all you are doing to help our students and families realize the American dream.

I think we all recognize that HBCUs are at a critical moment in their histories, but it is not their storied *history* of training generations of African-American leaders in all walks of life that I want to talk about today. The important issue of the moment is the future of HBCUs. How do we deal with the challenges and opportunities ahead of us in the 21st Century?

First, before I say anything more, I want to tell you from the heart how much the President, the Secretary, and all of us at the Department truly value your institutions, your contributions, and your mission. I understand that many of you feel like our Administration has abandoned you. I respect those feeling, and, like the rest of my Department colleagues, I'm committed to having that tough conversation, and deciding together what we can do to move forward in a more positive direction, toward our common goals. But, I also want to say that, from what I've seen, heard and experienced, the reality is different – and far more complex.

Admittedly, we at the Department need to listen to you better, learn from you better and collaborate with you better, and – together – we have to work harder together to understand and solve the challenges we face. I know that the students who flock to your campuses with bright dreams include some who think they are ready to do college-level work, when in fact too many are not prepared for college credit-bearing courses. I've met many students like them myself. These are the students who require extra help and remedial courses. Many are the first in their families to go to college, and there are those who could not go if not for the Pell grant and student loans. The truth is, while so many of them rise to lead a life of consequence, there are far too many who don't make it. And that's a problem we must solve, together. When I think about it, It's probably one of the few most important problems we can solve as an entire nation.

We realize that yours are among the institutions most dedicated to helping these students succeed. We understand that your risks are higher, and your challenges greater, because we all know that these are the students who are more likely to give up and drop out – because the odds are stacked higher against them – that's what the research says over and over again. We understand that even looking at a graduation rate on the College Scorecard without looking at the starting point of students and the diversity of factors that lead to student success or failure paints an incomplete picture of your achievements.

We hear your concerns and we look forward to working with you on the challenges ahead. We also recognize that most HBCUs are working with limited resources and even so, have a remarkable record of educating low-income students and the rest of your student body. These are some of the challenges we need to address and we need your help.

The President's Rating System

When President Obama delivered his plan to increase college affordability and value and proposed a college rating system that would ultimately tie those ratings to federal funding, in speaking about this last Friday, Secretary Duncan said "...we'll be seeking to make apples-to-apples comparisons of like institutions, not apples-to-oranges comparisons."⁵ This is hugely

⁵ "Assessing Value and Opportunity in Higher Education," Remarks of U.S. Secretary of Education Arne Duncan to the TIME Summit on Higher Education in New York, New York, <http://www.ed.gov/news/speeches/assessing-value-and-opportunity-higher-education>

important. The ratings, in other words, will compare colleges with similar missions, similar student populations, and identify colleges that do the most to help students from disadvantaged backgrounds and colleges that are improving their performance. We are interested in the progress schools are making, performance metrics. HBCUs have a special place in American higher education and our goal is to elicit the national conversations to help us build a college ratings system that drives more student success for the nation. We need to discuss factors that recognize colleges for helping disadvantaged students succeed, such as helping more Pell-eligible students enter college and then graduate, and providing them a secure path to the middle class.

We need to ensure that college outcomes mean exactly that – that students meet a high bar that moves them forward after they graduate. We want to look at growth and gain.

As you know, we're just at the beginning of this work. We look forward to working closely with the community—including the general public, the education community, and technical experts—to craft college affordability and value metrics.

In the coming months we plan to travel the country to engage with everyone who can help us design an effective system: one that is useful to students and sensitive to education values and differences among colleges and universities. We look forward to learning as much as we can about the characteristics of an effective college ratings system that will provide accurate, accessible data to help students and families make good choices about college. By enhancing consumer choice we expect to increase incentives for colleges to reduce the cost to students and taxpayers, improve quality, and increase student access and success.

The President's 2020 Goal and Why it's Important

Now let me return to work all of us are doing to help meet President Obama's goal: that America should once again have the highest proportion of college graduates in the world by 2020.

That is the goal we have been working towards since the President took office. It's what we at the Department call our North Star and it guides all of our education efforts. Reaching it will require your institutions and all institutions of higher education to dramatically boost college completion—by the end of the decade.

The days of being able to rely on high school graduates to provide economic stability are over. More than half of all new jobs in the next decade will require a postsecondary certificate or degree. That means boosting the number of college graduates must be our central goal. Yet the President's goal can only be attained if an unprecedented number of Americans enroll in and *complete* college—whether it is a four-year degree, a two-year degree, or a certificate. And *that* means that student populations with high dropout rates, especially African American students, will have to do more to help more students graduate – more at the beginning, more in the middle and more at the end. HBCUs absolutely must play a critical leadership role in meeting this challenge.

Each graduate from an HBCU brings us closer to the President's goal. We cannot reach it unless the dream of a college education is a reality for more students. And we cannot reach that goal without HBCUs.

As Secretary Duncan told the commencement class of Morgan State University last summer, "the education you earned here, the values you learned here, the sense of purpose you gained here – that is why President Obama and our entire Administration have recognized and supported the unique and vital role of HBCUs."

He continued by saying that "HBCUs must not merely survive they must thrive. We can only lead the world again in college graduation rates, as the President has challenged us to do, with the leadership and success of HBCUs. If we want a strong black community, we must have strong HBCUs."

The Plan to make College More Affordable

So now let me talk a little more about our plans to keep college affordable. Recognizing that higher education is the single most important investment students can make in their own futures, and being mindful of the bruising effect of student debt, President Obama is introducing a new set of ideas to rethink the way in which we pay for higher education -- and shake up the current system.

I started by telling you about his plan to assess college performance on affordability and value through a new ratings system. As I said, our team will be reaching out to you and communities across the country to get input on it. And after this ratings system is established,

President Obama will ask Congress to tie federal student aid to college performance so that students maximize their federal aid at institutions that offer the best quality for the price. And we'll do all we can to shine a spotlight on the practices and strategies that are closing achievement gaps AND increasing student success, whether those innovations are because professors have leveraged pedagogy and redesigned courses in new ways, whether administrators redesigned the schedule or the way student aid is delivered, whether technology was used, any number of strategies that produce high value at lower costs.

To support this work, we have introduced a range of tools for students and families through the College Affordability and Transparency Center, on the Department's College Navigator website. These range from the Financial Aid Shopping Sheet, to an interactive loan counseling tool, to the College Scorecard, which offers key indicators about an institution's cost and value to help students choose a college that's well-suited to their needs, priced affordably, and is consistent with their education and career goals.

We are continually working to keep improving the College Scorecard which I've called a 1.0 version since the President announced it last year. Our plan is for future versions to report graduate earnings by institution and by program, loan repayment rates, student cohort data, and other important measures.

Another one of our goals is to expand "Pay-as-You-Earn" to more borrowers, to make student loan payments more manageable. As he said in Buffalo last month, President Obama is committed to ensuring that all borrowers who need it can have access to Pay-as-You-Earn, which caps loan payments at 10 percent of income. We're also taking aggressive steps to reach out to students struggling with their existing loans to make sure they know and understand all their repayment options.

Ensuring that more students earn a college degree, a certificate or any other postsecondary credential is the key to rebuilding the middle class and making good on the American promise. It's also of strategic importance in our efforts to fuel our economy, create new jobs, and bolster America's long-term prosperity and security.

Some 2014 Budget Proposals

Let me wrap up my remarks by mentioning just a few more of our proposals in the President's FY 2014 budget, to help implement reforms that improve completion rates and college readiness, close achievement gaps, and increase rigor and accountability. These are the kinds of reforms that will be able to help more low-income and first generation students enter and complete college.

Our \$1 billion [dollar] "Race to the Top: College Affordability and Completion" fund would make competitive grants to States committing to reforms and innovations that: increase productivity; maintain adequate funding levels; revamp higher education financing; align entry and exit standards among their K-12, community college, and university systems – to ease student transitions across the pipeline and increase on-time completion; – and address other causes of college cost escalation.

At the same time, our "First in the World" fund would devote \$260 million [dollars] to helping colleges address the completion challenge, improve higher education productivity, build evidence of what works through rigorous evaluations, and scale up and disseminate proven practices. This fund would have three priorities:

- First, a focus on identifying innovative college access strategies for low income, minority and first generation college-goers;
- Second, a focus on identifying new quality validation systems that can identify college competencies, assessments, and curricula, especially for high-need programs of study; and
- Third, a focus on developing pay-for-success models tied to these new validation systems, rewarding all types of providers that successfully prepare students for free two-year degrees, with rigorous evidence of learning outcomes.

Finally, I'd like to summarize a few of the steps we've taken since the President took office - steps which I feel demonstrate the strong commitment our Administration has to HBCUs. In 2007, before the Administration took office, HBCUs received a little over \$3.5 billion [dollars] in federal funding. Today, HBCUs receive over \$5 billion in federal funds. That is an increase of 43 percent.

And, most of the other funding increases related to our postsecondary agenda have also enabled greater access to HBCUs, including Pell Grant increases. In 2007, Pell Grant funding

for HBCU students was at \$523 million; by 2011, that figure had jumped 77 percent, to \$929 million. During the same time period, the Department's support for HBCUs, including Federal Student Aid, increased 40 percent, from \$3 billion in 2007 to more than \$4 billion in 2011. In 2008, over 6 million low-income students with Pell grants were enrolled in college; today nearly 10 million low-income students with Pell grants are in college. That's almost a 60% increase in just a few years! What's more, for our nation's students from families earning less than \$10,000 a year, we increased their participation by 100%. This was made possible because this Administration worked with Congress to make the largest investment in federal student aid since the G.I. Bill.

Close

Now, despite this increase in federal support, we all recognize that HBCUs still face overwhelming financial constraints, because many state budgets continue to be in crisis. However, I want to pledge to you again that the President and our Administration are committed to your future.

As you leave this meeting, you have my word that we will work closely with you. Your courage and commitment to increasing academic achievement and success for our students is essential to the success of our administration, our communities and our country. We have to close achievement gaps and increase the number of HBCU graduates. We have an unprecedented opportunity to work together and lead the way. Together, we can.

Thank you for giving me the opportunity to talk with you. We can now discuss advice or questions you may have. Thank you again.

2013 PLUS Loan Reconsideration Outreach

- April – May
 - 4/19, Electronic Announcement about Applicant Communications
 - Outreach to certain denied applicants to encourage them to call and request Reconsideration. Approximately 21K as of 9/9/2013
 - 7 workshops for HBCUs to train schools on Reconsideration process. Training locations - DC, FL, GA, LA, NC, SC
- June
 - 6/25, Electronic Announcement – COD Credit Check Reconsideration Eligibility Report in COD and Eligibility Flag displayed on awards and declined PLUS requests
 - Deployed weekly COD Reconsideration reports for schools to identify denied applicants FSA emailed about Reconsideration
- July
 - Began contacts to provide technical assistance to HBCUs about Reconsideration process/resources. 316 contacts made as of 09/9/2013
 - NASFAA 2013 Conference Session – COD Update
- August
 - 8/13, Emailed HBCU Presidents about Reconsideration process/resources
 - 8/13, Electronic announcement about Reconsideration process/resources
 - 8/16, first weekly status report of Reconsiderations sent to HBCUs

HBCU PLUS Loan Summary

PLUS Loan Volume Comparison Complete Academic Years vs Reconsideration Period to Date				
DESCRIPTION	AY 10-11	AY 11-12	AY 12-13	Reconsideration Period 3/23 to 9/9/2013
Total PLUS & Grad PLUS	\$481,160,212	\$546,727,569	\$393,373,113	\$389,760,166

Reconsideration PLUS Dollar Volume For the period 3/23/2013 to 9/9/2013		
DESCRIPTION	\$	%
PLUS Originations before Reconsideration	\$297,015,141	76%
PLUS Originations based on Reconsideration	\$92,745,025	24%
Total PLUS Originations	\$389,760,166	100%

Reconsideration Activity For the period 3/23/2013 to 9/9/2013		
DESCRIPTION	#	%
Applicants e-mailed about Reconsideration	21,019	36%
Reconsideration Requests Received from Applicants	7,832	37%
Remaining applicants that can choose Reconsideration	13,187	63%
Additional Unsub Borrowers	2,876	14%

¹11% for prior year

Reconsideration Requests Summary For the period 3/23/2013 to 9/9/2013		
DESCRIPTION	#	%
Reconsideration Requests Received	7,832	
Reconsideration Requests Approved	7,723	98.6%
Reconsideration Requests New/Pending	47	0.6%
Reconsideration Requests Not Approved	62	0.8%

²70% for prior year